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FLOOR DEBATE

February 17, 2005 LB 119

say aye. Opposed, nay. They are adopted. Mr. Clerk.

CLERK: Mr. President, Senator Mines would move to amend with AM0398. (Legislative Journal page 537.)

SENATOR CUDABACK: Senator Mines, to open on AM0398 to LB 119. Senator Mines.

SENATOR MINES: Thank you, Mr. President. The amendment addresses two concerns that we discussed on General File. And I would like to first of all thank Senator Beutler and the Department of Insurance. We spent a great deal of time working these details out. And let me just capsulize, if I might, what they include. Let's just begin with file and use for personal property and casualty forms. The amendment inserts in the...would insert and amend Section 44-7508.02 of the Property and Casualty Insurance Rate and Form Act, to provide that personal line coverage moves from a prior approval to file and use system, as the bill provides. The Department of Insurance is required to review the personal lines forms filing within 30 days after the filing has been made. This requirement will reinforce legislative intent that the department must give these forms threshold scrutiny, as determined by the director, according to the nature of the particular filings. For some forms, a word-for-word review is critical, and we must do that. And for others, quite frankly, it's not the best use of staffs' time. In the the file and use system, the director can disapprove a filing with insurance of a written disapproval notice within 30 days after the filing is made. And the insurer can then request a hearing. Beyond the 30-day threshold, the director can disapprove a filing if after there's been an opportunity for a hearing. So, very simply, in the first 30 days, the insurer has the burden of going forward and the burden of proof; after 30 days, the director has burden of going forward and the burden of proof. Let's move on to the Insurers Investment Act. The amendments would also amend Section 44-5143 of the Insurers Investment Act, which allows insurers to invest in notes of bonds secured by inclusive or wraparound second mortgages or liens. The new language contains a number of restrictions and requirements. As an example, the insurer must file for the record in the office of the recorder of the county